
IN THE
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT.

CASE No. 14626.

JESSE E. HALL *et al.*, Plaintiff and Plaintiff-
Interveners-Appellants,

vs.

KENNETH A. WRIGHT *et al.*,
Defendants-Appellees.

PETITION FOR REHEARING
ANENT
VALIDITY OF HALL 515 PATENT
AND
MEMORANDUM IN SUPPORT THEREOF.

THOMAS E. SCOFIELD,
PHILIP SUBKOW,

*Counsel for Plaintiff and Plaintiff-
Interveners-Appellants.*

INDEX

Petition for Rehearing Anent Validity of Hall 515 Patent	1
Grounds for the Petition	1
Errors in the Opinion of the Appellate Court	3
A. The facts in respect of which the Court of Appeals erred	3
B. The Errors of Law	4
C. The record in this case establishes there is no evidence in the proofs of the Jones and Berdine test of prior knowledge or use of the patented invention within the meaning of the statute	5
Certificate of Good Faith	6
Memorandum in Support of Petition for Rehearing	7
Statement of Facts	7
The Purpose and Significance of the Mounting of the B & W, Inc., Devices at the Jones & Berdine Tests	11
The B & W, Inc., Devices Used at the Jones & Berdine Test Do Not Constitute Prior Knowledge or Use and Are Not Prior Art Since There Was No Reduction to Practice	13
Brief of the Law	15
The Jones Deposition Was Not Before the Trial Court As Testimony, and Is Not Before This Court, Although It Is in the Record	15
The Appellate Court Is Not Bound under Rule 52(a) by the Trial Court's Finding of Lack of Invention of Hall 515 Patent	20
The Evidence Does Not Prove Prior Knowledge or Use of the Invention Covered by the Claims of the Hall 515 Patent	25

TABLE OF CASES

<i>Arnstein v. Porter</i> , (C. C. A. 2d, 1946) 154 F. 2d 464	17
<i>Batelli v. Kagan and Gaines Co., Inc.</i> , (9th C. C. A., 1956) 236 F. 2d 167	15
<i>Bonebrake v. McCormick</i> , 35 Cal. 2d 16	18
<i>Brooks v. Brooks Clothing Co.</i> , 5 F. R. D. 14, p. 16	23, 24
<i>Cleveland Trust Co. et al. v. Schreiber-Schroth</i> , 101 F. 2d 109, reversed on another point, 311 U. S. 211	26
<i>Crowell v. Baker Oil Tools</i> , (9th C. C. A., 1946) 153 F. 2d 972	19
<i>Dearborn Nat. Casualty Co. v. Consumers Petroleum Co.</i> , (7th C. C. A., 1947) 164 F. 2d 332	22
<i>Dewey & Almy Chem. Co. v. Mimex Co.</i> , (C. C. A. 2d, 1942) 124 F. 2d 986	26
<i>Eibel Process Co. v. Minnesota & Ontario Paper Co.</i> , 261 U. S. 45	26
<i>Hycon Mfg. Co. v. H. Koch & Sons</i> , 219 F. 2d 353 (9 C. C. A., 1955)	24
<i>Jancuzzi Bros. v. Berkeley Pump Co.</i> , (9th C. C. A., 1951) 191 F. 2d 632	24
<i>Kauk v. Anderson</i> , 8 Cir., 137 F. 2d 331	20
<i>Kishan Singh v. Carver</i> , (9th C. C. A., 1937) 88 F. 2d 672	16
<i>Konet v. Haskins</i> , (C. C. P. A., 1950) 179 F. 2d 1003	26
<i>Loom v. Higgins</i> , 105 U. S. 580	26
<i>Lyon v. Bausch & Lomb Optical Co.</i> , (2nd C. C. A., 1955) 224 F. 2d 530	27
<i>Metal Cutting Tool Service v. National Tool Co.</i> , (C. C. A. 6th, 1939) 103 F. 2d 581	26
<i>Minnesota Mining & Mfg. Co. v. Van Cleef</i> , (7th C. C. A., 1943) 139 F. 2d 550	26
<i>Morgan Const. Co. v. Wellman-Leaver-Morgan</i> , (9th C. C. A., 1921) 18 F. 2d 395	26

INDEX

III

<i>People v. Westcott</i> , 86 Cal. App. 298	18
<i>Schneidermann v. U. S.</i> , 320 U. S. 118	23
<i>Sinko Tool & Mfg. Co. v. Automatic Devices Corp.</i> , (2nd C. C. A., 1946) 157 F. 2d 974	26
<i>Smith v. Bonsquit</i> , (C. C. P. A., 1940) 111 F. 2d 157	26'
<i>Smith v. Snow</i> , 294 U. S. 1	26
<i>Standard Oil Dev. Co. v. Marzall</i> , (C. A. D. C., 1950) 181 F. 2d 280	21
<i>Stearns v. Tinker & Rasor</i> , (9th C. C. A., 1955) 220 F. 2d 49	25
<i>Stuart Oxygen Co. v. Josephian</i> , (9th C. C. A., 1947) 162 F. 2d 857	21
<i>Symington Co. v. National Castings Co.</i> , 250 U. S. 383....	27
<i>Thompson v. Carley</i> , (8th C. C. A., 1944) 140 F. 2d 656	19
<i>United States v. Williams</i> , (C. C. A. 2d, 1945) 146 F. 2d 651	19
<i>H. Wenzel Tent & Duck Co. v. White Stag Mfg. Co.</i> , (9th C. C. A., 1952) 199 F. 2d 740	25
<i>Wire Tie Mach. Co. v. Pacific Box Corp.</i> , (9th C. C. A., 1930) 102 F. 2d 543	21
<i>Worsham v. Duke</i> , (6 C. C. A., 1955) 220 F. 2d 506	15

OTHER AUTHORITIES

Rule 26(d), Federal Rules of Civil Procedure	15
Rule 52, Federal Rules of Civil Procedure, Title 28, U. S. C. A.	24
Wigmore on Evidence, 3rd Ed., Vol. 5, Sec. 1414, page 189	16

IN THE
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT.

CASE No. 14626.

JESSE E. HALL *et al.*, Plaintiff and Plaintiff-
Interveners-Appellants,

vs.

KENNETH A. WRIGHT *et al.*,
Defendants-Appellees.

PETITION FOR REHEARING
ANENT
VALIDITY OF HALL 515 PATENT
AND
MEMORANDUM IN SUPPORT THEREOF.

In this petition and in the accompanying memorandum we will use the words "Hall" and "Wright" as they are used in the Opinion of this Court.

GROUND'S FOR THE PETITION.

The Court in its opinion sustained "the finding of fact that Hall 515 patent lacked invention" as supported by "the testimony and documentary evidence" which "although disputed, is substantial."

The evidence which the Court found to be so substantial as to be sufficient to sustain the finding is stated to be the tests made by Jones and Berdine of the Union Oil Company at Dominguez Hills, near Long Beach, California. The opinion states:

“* * * There is evidence indicating that the B & W, Inc., device used by Jones and Berdine was very similar, structurally and functionally, to the device described in Hall patent No. 515.

“It is apparent that, in sanctioning issuance of Hall patent No. 515, the Board of Patent Appeals was of the view that it had not been established that the Jones and Berdine device was rotatably mounted. An engineer who conducted the test, however, testified at the trial in this action that the device there used was rotatably mounted. The trial court apparently accepted this testimony as true. We have no basis for holding otherwise. The evidence as to the similarity of the two devices, and of the way they were mounted and used, is sufficient to sustain the finding of fact that Hall patent No. 515 lacked invention.” (Decision, page 5).

This statement appears to Hall to involve the following:

1. That the evidence that this Court found to be substantial so as to require the sustaining of the finding of lack of invention is that relating to the test made at Dominguez Hills.
2. That there is evidence indicating that the B & W, Inc., device used in the test by Jones and Berdine was very similar, structurally and functionally, to the device described in the Hall patent No. 515.

3. That the evidence concerned was the testimony at the trial of an engineer who conducted the test, that the B & W, Inc., device there used was rotatably mounted.
4. That the trial court and the appellate court accepted this engineer's testimony as true.

ERRORS IN THE OPINION OF THE APPELLATE COURT.

We believe, and respectfully urge, that the above conclusions err in material respects as to the facts and result from an incorrect application of the law.

A. The facts in respect of which the Court of Appeals erred are as follows:

1. The engineer who conducted the test is a Mr. Philip Jones. *He did not testify at the trial.* His testimony appears in a deposition given in a Public Use Proceeding in the Patent Office provoked by Wright in an effort to prevent the granting of the Hall No. 515 patent. This deposition (Record pp. 1278-1507) was introduced as an Exhibit BZ-6 at the trial in this action (Record p. 1154).
2. The oral stipulation by which the Jones deposition was received in evidence is not included in the Appeal Record. It appears only in the Transcript of Proceedings of the Trial Court of November 3, 1953 (Vol. 5, pp. 723-728). This oral stipulation was as follows:

"The Court: I assume it would be offered in the same way as a deposition or depositions of witnesses, and its admissibility would be determined in the same manner, is that correct?

"Mr. Scofield: That is the stipulation.

"Mr. L. E. Lyon: That is satisfactory to me."

3. There is nothing in the Trial Court Transcript or Appellate Court Record to show that this deposition was received in lieu of the personal appearance of the witness Jones.

(a) The deposition gives the residence of the witness Jones as 4457 Via Pinzon, Palos Verdes Estates, California, which, as this Court may judicially notice, is less than 100 miles from the Court House in Los Angeles.

(b) There is nothing in the Record to show that any evidence was presented to the Trial Court to show that the witness was unavailable at the trial or that any of the other conditions existed as is required by F. R. C. P. Rule 26, to permit the use of the deposition at the trial for any purposes other than impeachment.

4. The evidence in this Record relating to the B & W, Inc., device used during the Jones and Berdine experiments, and upon which the Appellate Court sustained the finding of lack of invention, was before the Patent Office and the Hall 515 patent was granted and issued over such evidence.

B. The Errors of Law are as follows:

1. The Court treated the Jones deposition as testimony in this case and based its affirmance of the judgment of invalidity on the ground that this testimony was substantial evidence in support of the finding of "lack of invention."
2. It must be presumed, since the Jones deposition was incompetent as testimony at the trial, that it was not

considered by the Trial Court in making its finding of lack of invention, and the Appellate Court erred both in concluding that the Trial Court relied upon this deposition as testimony, and in itself relying upon the Jones deposition as testimony.

3. The finding of ultimate fact of lack of invention by the Trial Court is so general and without findings of the primary facts to support it, that there is no compliance with the requirements of Rule 52(a), and thus this Appellate Court is not bound by the provisions of Rule 52(a).
4. This Court has supplied the omission made by the Trial Court by findings of primary fact, to wit: that the B & W, Inc., device used at the Jones and Berdine tests was similar in structure and function to the patented device. It based these findings on the testimony of Jones given in the Jones deposition. Assuming that this deposition is before this Court as competent testimony, we respectfully submit that in making these findings of primary facts, this Court did not apply the standard of proof required for such evidence, *i. e.*, that it be beyond a reasonable doubt.

C. On behalf of the party Hall, we submit that the record in this case establishes the following:

1. There is no evidence in the proofs of the Jones and Berdine test of prior knowledge or use of the patented invention within the meaning of the statute, 35 U. S. Code, Sec. 102.
 - (a) The patented invention was not reduced to practice in the Jones and Berdine test.

- (b) The Fig. 26 B & W, Inc., device relied upon and used by Jones and Berdine at the test was an accidental use unappreciated and unrecognized.
- (3) None of the B & W, Inc., devices used in the Jones and Berdine test were similar in structure and function to the device of the Hall 515 patent.
- (d) The B & W, Inc., devices used in the Jones and Berdine test had never been employed prior thereto nor were they ever used or commercially sold after the test.

We urge that this Court rehear this case to reconsider the record and the applicable law so that justice be done in the premises. We include a memorandum of the applicable law and a discussion of the facts in support of this petition, and respectfully request consideration thereof.

Respectfully submitted,

THOMAS E. SCOFIELD,

PHILIP SUBKOW,

Counsel for Plaintiff and Plaintiff-Intervenors-Appellants.

CERTIFICATE OF GOOD FAITH.

In the judgment of Counsel, the above petition for rehearing is well founded and not interposed for delay.

THOMAS E. SCOFIELD,

PHILIP SUBKOW,

Counsel for Plaintiff and Plaintiff-Intervenors-Appellants.

MEMORANDUM IN SUPPORT OF PETITION FOR REHEARING.

STATEMENT OF FACTS.

The Jones and Berdine test was experimental, and the B & W, Inc., devices used therein were never reduced to practice and constituted only an accidental use, unappreciated, unrecognized and abandoned.

Even proceeding upon the supposition made by this Court that the Jones deposition was testimony given and legitimately received at the trial as proper, the evidence is still insufficient to support the Trial Court's finding of lack of invention in the Hall No. 515 patent.

Besides the deposition of Jones there is a contemporaneous report (Exhibit X, Record 3670-3729) made by Jones to the Union Oil Company which contains the findings made by Jones and Berdine after the test.

Many different apparatuses and procedures were tested and the results were set forth in the report. The forms of the B & W, Inc., devices were changed at the site of the tests (Figs. 14, 18 and 26 of Exhibit X, Record pp. 3715, 3719 and 3727) because the radial wire B & W wall cleaning guides then being made and sold by B & W, Inc., could not be operated in the canvas bag used in the tests as they tore the canvas (Record 1310, 1470). To rectify this difficulty and render the guides usable in the test (Record 1472, 1473, 1836-1837), the sharp ends of the abrading wires

were either doubled back or bent midway of the bristles and small smooth balls or knobs puddled at their ends, best shown in Fig. 26, R. 3727. It does not appear that Wright ever considered that the alterations made for the Jones and Berdine test had any purpose or advantage other than to adapt them to use in the canvas bag employed in the test. B & W, Inc., continued to offer the device as originally conceived and made according to the Wright No. 317 patent (See Exhibit 104, and Exhibit HH, Record p. 3735).

The first two claims of the Hall 515 patent are combination claims covering the scratcher in combination with the well casing, and require that the collar or support which carries the wire whiskers be rotatably mounted on the exterior of the casing. It is also a requirement of these claims that the stiff wire whiskers be flexibly attached to the collar and project *from points on the periphery of the collar* at an angular inclination, or what has been broadly termed in the case as non-radial projection from the collar. Claim 2 includes terminology descriptive of the scratchers' operation in the well bore upon reciprocation of the casing. Claim 3 is drawn solely to the scratcher and defines its construction in much the same fashion as in the two preceding combination claims. Again the wire whiskers must extend outwardly from the collar, their sidewise or non-radial direction originating at the projection points on the periphery of the collar as distinguished from the Fig. 26 B & W, Inc., device having only the ends bent non-radially.

This Court has aptly concluded from the evidence that it is "agreed that rotatable mounting and angular disposi-

tion of the scratcher wires are essential to the successful use of such devices." (Decision p. 6).

To anticipate the Hall invention, Wright must have had the concept of mounting a support or collar rotatively upon a casing, attaching stiff abrading wires flexibly to the periphery of the collar and projecting the free ends of the wires non-radially from the projection points on the collar.

To ascribe this concept to Wright, we must not only give him the benefit of mounting the wall cleaning guide or B & W device used by Jones and Berdine rotatively on the casing, but we must also conclude that the Fig. 26 wires were flexibly attached to the collar and that the wires extended non-radially from the projection points on the periphery of the collar. Hall's wires had a coil spring wound into each of the wires at their projection points, a feature entirely lacking from the Fig. 26 device and the wires in the B & W device did not extend non-radially from the projection points but projected radially from the collar and were bent at an angle near their ends. To establish that the Fig. 26 device was not the equivalent of the Hall invention, and that Wright lacked the concept required for prior knowledge, ample proof is to be found in the record.

The evidence is clear that there was no recognition that the bending of the wires of the Fig. 26 device or any of the other B & W, Inc., devices (Figs. 14 and 18) imparted any function or utility other than to prevent tearing of the canvas bag. There is no evidence that the bending of the wires produced any other advantage or utility. There is no evidence of any recognition that this change

had any value in a scratcher to be used in an oil well. The commercial device sold by B & W, Inc., during this period and thereafter until the latter part of 1947, was the scratcher shown in Wright 317 patent (physical Exhibit 104). It was not until the Hall invention was commercialized and had developed a public demand that competition forced B & W, Inc., to adopt the principles of the Hall invention. We have discussed this history in our Reply Brief, pages 42, etc.

Further evidence that Wright never recognized the concepts underlying the Hall invention appears from the following.

Wright filed three applications for Letters Patent substantially contemporaneously with the Jones and Berdine test which was conducted in the fall of 1939 and early 1940. These three patents are here in suit and none mention or have any disclosure which would lead one to believe that Wright had the concept of the Hall invention when they were filed. The Wright No. 372 patent was filed August 19, 1939, the Wright 317 patent December 10, 1940, and the Wright 352 patent August 6, 1941. All disclose radially projecting bristles or wires and relatively rigid attachment of the bristles to the collar supports and none mentions the rotative mounting of the collar.

Even as late as November 8, 1947, when Wright filed a Canadian application (Exhibit Q) corresponding to his 317 patent, he did not disclose anything but radial bristles, showing that at that date he did not have the concept nor laid any claim to the Hall invention.

Confirming the conclusion that the B & W, Inc., devices used in the Jones and Berdine test did not correspond to the invention claimed in the Hall 515 patent is the fact that Wright did not claim in his preliminary statement filed in Interference No. 84,411 (Exhibits 71A, 71B, 71C and 71D) that he had made and reduced to practice the Hall invention at the Jones and Berdine test. In this interference, the application which matured as the Hall 515 patent was involved with an application of Wright Serial No. 777, 640 (Exhibit 70) and the counts in controversy were the three claims subsequently issued in the Hall 515 patent.

To irrefutably establish the fact Wright had no prior knowledge, and that the Hall invention was not his there is his counsel's letter (Exhibit 119, Record 3523) dated January 27, 1950, written on behalf of Wright and B & W, Inc., quoted in our main brief, pages 22-23. In this letter it was not only admitted that the invention was Hall's, but that regardless of the dispute being prosecuted in this case, that Hall should obtain and was entitled to broad claims covering the invention. The admissions contained in the letter have never been denied or refuted.

**The Purpose and Significance of the Mounting of the
B & W, Inc., Devices at the Jones & Berdine Tests.**

Although the Fig. 26 B & W device was mounted upon the test pipe between stop rings spaced about one foot apart, there is no testimony by any witness, including Jones, that the devices actually rotated on the pipe or casing as it was reciprocated during the test, since the color and consistency of the mud fluid used prevented any

visual observance of such rotation by looking down into the canvas bag.

The Exhibit X report made by Jones and Berdine does not contain any reference to the rotatable mounting of the scratchers. Likewise, the publication of the report in the Petroleum World Magazine of June, 1940 (which was the article the Board of Appeals in the Patent Office considered) omits any reference to the rotatability of the B & W, Inc., devices during the test. A letter of transmittal to the Union Oil Company, dated March 15, 1940, accompanied the report and is a part of Exhibit X in this Record (pp. 3670-3681). The letter contains a footnote on page 3676 of the Record:—

“Scratchers are free to rotate on the casing, and vertical movement with respect to the casing is limited to about 1 foot by confining rings welded on the casing. *Thus in running casing the scratchers remain stationary when the casing is lifted to release it from the spider.*” (emphasis added).

This rotatable or loose mounting of the scratchers on the casing between the stop rings was solely for the purpose of permitting the scratchers to slide longitudinally of the pipe between the stop rings when running pipe or casing into the hole. In other words when lifting the casing already run to release it from the spider or slips at the rotary table, the weight produced by frictional drag of the scratchers against the well wall, was avoided since the scratchers remained stationary while the casing was elevated or lowered within the limits of the stop rings, when adding to or removing sections of pipe from the

string (Record 1442-1443). Another reason the stop rings were used at the test was because it facilitated the mounting and removal of the devices on the pipe used as casing.

The purpose of the rotative mounting in the Hall invention is stated in claim 2 of the Hall 515 patent. To obtain this operation and function, the non-radial wires, flexibly connected to the collar and the rotative mounting are essential elements. The angularly disposed wires and rotative mounting have been recognized as necessary to the successful operation of the device of Hall invention by this Court (Decision, page 6).

**The B & W, Inc., Devices Used at the Jones & Berdine
Test Do Not Constitute Prior Knowledge or Use and
Are Not Prior Art Since There Was No
Reduction to Practice.**

The Primary Examiner in the Public Use Proceeding in the Patent Office ruled upon the use of the B & W, Inc., devices at the Jones and Berdine test and had before him the same evidence as was in this case. It is believed that his conclusions are sound (Exhibit 216, Record 3566-3567):

“It does not appear from the evidence in the instant case that the test procedures used by Jones and Berdine were standard ones employed by the industry and that drillers relied upon such tests conducted by laboratory apparatus outside of the well in order to determine the utility and functioning of a well scratcher. The test structure apparently was original and used for the first time at these tests.
* * * However there is no evidence that practical men in the oil well art would take the risk without more, and directly from the tests, use the scratchers. * * *

In other words, the Jones and Berdine tests are distinguishable from those in the decision and the tests do not constitute a reduction to practice or public use. They were merely experimental in character, and it is accordingly so held."

Record Volume VIII, pp. 3566-3567.

As indicated in the Patent Office decision, the evidence shows that the Jones and Berdine test was not conducted under conditions existing in an oil well, but in a canvas bag above ground assumed to simulate an oil well. It was not a test that was standard or accepted by the oil industry for the purpose intended. It was devised by the Research Department of the Union Oil Company for the particular occasion, was experimental and was not represented to be an actual use of the B & W, Inc., devices in their intended environment.

All that this test could do and all it did do was to cause Jones to surmise and speculate that these devices would be useful in an oil well for the removal of mud prior to cementing operations and when they were tried by the Union Oil Company upon his recommendation they were not the B & W, Inc., devices used in his test.

BRIEF OF THE LAW.

THE JONES DEPOSITION WAS NOT BEFORE THE TRIAL COURT AS TESTIMONY, AND IS NOT BEFORE THIS COURT, ALTHOUGH IT IS IN THE RECORD.

1. The mere presence of a deposition in the record does not make it available as testimony on an appeal unless it was before the trial court as testimony and used in accordance with the provisions of Rule 26(d) of the Federal Rules of Civil Procedure.

Worsham v. Duke, (6 C. C. A. 1955) 220 F. 2d 506, at 509.

2. In some circumstances a deposition taken in another action may be used in a subsequent action when the parties and the issues are the same under the general provisions of Rule 26(d)(3).

Batelli v. Kagan and Gaines Co., Inc., (9th C. C. A. 1956) 236 F. 2d 167, at 169.

3. But Rule 26(d)(3) has two limitations which are pertinent here. If the Jones deposition is used in the case for the above reason, it may be used in this action only in the manner permitted by Rule 26(d) for depositions taken in the instant action.

Rule 26(d) provides for two categories of use:

- (a) To contradict or impeach the testimony of the deponent as a witness.
- (b) For any purpose—which includes its use as testimony as well as to contradict or impeach the de-

ponent as a witness. In order to be so used the conditions specified in Rule 26(d), subdivision 2 or 3, must be present.

4. The burden is upon the proponent of a deposition to show that the conditions of Rule 26(d), subdivision 2 or 3, apply.

Professor Wigmore states the rule as follows:

“The *proponent* of the former testimony in the deposition is of course ordinarily the party to *prove the necessity* of resorting thereto in consequence of the witnesses’ unavailability in person.” (Author’s emphasis).

Wigmore on Evidence, 3rd Ed., Vol. 5, Sec. 1414, page 189, (citing authority).

5. There is nothing in the record to qualify the Jones deposition as testimony in this case and it does not constitute competent testimony. The record in fact shows affirmatively that the witness is a retired engineer and was before his retirement for 26 years an employee of the Union Oil Company. He lives at 4457 Via Pinzon in Palos Verdes Estates, California, which is less than 100 miles from the Court House (Record, pp. 1278-1279). He gave his deposition in the Public Use Proceedings during the pendency of this lawsuit.

(a) This Court may take judicial notice of the geographic fact that Mr. Jones’ home address is less than 100 miles from the Federal Court House in Los Angeles.

Kishan Singh v. Carver, (9th C. C. A. 1937) 88 F. 2d 672, 675.

(b) When, as it appears, no showing of unavailability of the witness Jones was made at the trial, the deposition should not be resorted to as testimony.

This is particularly true since this testimony is the critical testimony on which, as this Court has found, that the invalidity of the Hall No. 515 patent is based. This is likewise true where, as it appears here, the question of the credibility of the witness is involved. This Court has said in its decision page 5:

"It is apparent that, in sanctioning issuance of Hall patent No. 515, the Board of Patent Appeals was of the view that it had not been established that the Jones and Berdine device was rotatably mounted. An engineer who conducted the test, however, testified at the trial in this action that the device there used was rotatably mounted. The trial court apparently accepted this testimony as true. We have no basis for holding otherwise. The evidence as to the similarity of the two devices, and of the way they were mounted and used, is sufficient to sustain the finding of fact that Hall patent No. 515 lacked invention."

Judge Frank said in *Arnstein v. Porter*, (C. C. A. 2d, 1946) 154 F. 2d 464, at pp. 469-470:

"The right of a party, therefore, to have a witness subjected to the personal view of the jury, is a valuable right, of which he should not be deprived * * * except by necessity. And that necessity ceases whenever the witness is within the power of the court, and may be produced upon the trial."

No evidence of unavailability of Jones as a witness was introduced at the trial and there appears in the rec-

ord, no ruling by the Trial Court receiving the deposition as testimony in lieu of the appearance of Jones. There was thus nothing in the record of any offer of this deposition as testimony in this case and no opportunity presented to Hall to object to the introduction of his deposition in lieu of the testimony of Jones in open court. We submit that in the absence of a specific offer of this deposition as testimony, the failure to object to the use of this deposition at the time of its offer is not prejudicial to Hall's right to raise this issue before this Court. This is particularly so since this deposition was admissible under Rule 26 for the purpose of impeachment and not as testimony. Evidence offered as impeachment is limited to this use with the possible exception that it may also be used as admissions of the opposing party against his interest.

People v. Westcott, 86 Cal. App. 298, 312-314.

Bonebrake v. McCormick, 35 Cal. 2d 16, 18-19.

6. Since it must be presumed that the Trial Court's ruling, in absence of anything in the record to the contrary, was in conformance with Rule 26, we submit that the reception in evidence of the Jones deposition was limited to the purposes permitted under Rule 26 for a deposition taken in this action and was limited to its use for purposes of impeachment.

The reception of this deposition in evidence without objection does not mean of course that the Trial Court below gave any weight to it. In fact, the presumption is that the Trial Court did not. For if this deposition is incompetent as testimony, it will be presumed that the Court below gave

it no weight whatsoever, and the absence of an objection thereto is not significant.

In *Crowell v. Baker Oil Tools*, (9th C. C. A., 1946) 153 F. 2d 972, 975, the court said:

“Moreover, if the evidence was incompetent or immaterial, the presumption on appeal is that the court disregarded such evidence in reaching its conclusion.”

But even if an objection on this specific point would have been appropriate in the special circumstances shown by this record, the error in using this deposition as testimony would be so manifest as to permit of the rejection thereof, under the reserved discretion of this Court to correct error plain on the record.

United States v. Williams, (C. C. A. 2d, 1945) 146 F. 2d 651.

7. This record is silent as to any reliance by the Trial Court on this deposition as testimony. The judgment of the Trial Court was sustained by relying on this testimony. If this Court has come to the conclusion that the Trial Court in fact relied on this testimony, and was induced thereby to hold the Hall 515 patent invalid, then it is submitted that the Trial Court's judgment of invalidity of Hall 515 patent should be reversed.

In *Thompson v. Carley*, (8th C. C. A., 1944) 140 F. 2d 656, 660, the Court said:

“At the trial, the court stated that it would let the testimony go in for what it was worth, and there is nothing in the record to show that any finding of fact was based upon that testimony.

“In a nonjury case, the presumption is that the trial court considered only the competent evidence and disregarded all evidence which was incompetent. *Unkle v. Wills*, 8 Cir., 281 Fed. 2d 29, 34; *Johnson v. Umsted*, 8 Cir., 64 F. 2d 316, 318; *Garden City Feeder Co. v. Commissioner*, 8 Cir., 75 F. 2d 804, 807; *Wade v. Blieden*, 8 Cir., 86 F. 2d 75, 77; *Hedrick v. Perry*, 10 Cir., 102 F. 2d 803, 808. In *Donnelly Garment Co. v. National Labor Relations Board*, 8 Cir., 123 F. 2d 215, 224, we said: ‘If the record on review contains not only all evidence which was clearly admissible, but also all evidence of doubtful admissibility, the court which is called upon to review the case can usually make an end of it, whereas if evidence was excluded which that court regards as having been admissible, a new trial or rehearing cannot be avoided.’ This Court will not reverse a trial court in a nonjury case for having admitted incompetent evidence, whether objected to or not, unless all of the competent evidence is insufficient to support the judgment appealed from or unless it affirmatively appears from the record that the incompetent evidence complained of was relied upon by the trial court and induced the court to make an essential finding which would not otherwise have been made. Compare *Kauk v. Anderson*, 8 Cir., 137 F. 2d 331, 334.”

**THE APPELLATE COURT IS NOT BOUND UNDER RULE 52(a)
BY THE TRIAL COURT'S FINDING OF LACK OF
INVENTION OF HALL 515 PATENT.**

1. The rule makes findings of fact binding on an appellate court in absence of clear error, when the credibility of a witness is involved in the finding. The rule states:

“Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge the credibility of a witness.”

But the fact found by the Trial Court does not depend on such a situation. When the competent evidence of the prior art is documentary and since the presence of invention thereover is a subjective opinion, this Court is not bound by the “clearly erroneous” provision of F. R. C. P. Rule 52(a).

Wire Tie Mach. Co. v. Pacific Box Corp., (9th C. C. A., 1930) 102 F. 2d 543, 552.

Stuart Oxygen Co. v. Josephian, (9th C. C. A., 1947) 162 F. 2d 857, at 859.

In the present case, the competent evidence before the Court is documentary, even if the deposition of Jones is used, since Jones was not presented as a witness before the Trial Court, and under these circumstances this Court may make its own determination from the evidence.

There has been considerable confusion arising from the differing opinions of the various courts as to the scope of review of a finding of lack of invention. The differing opinions of various appellate courts on the question is ably discussed by Judge Fahey in *Standard Oil Dev. Co. v. Marzall*, (C. A. D. C. 1950) 181 F. 2d 280, at 284. The difficulty seems to be that fundamentally the determination of the presence of invention depends on subjective opinion.

Judge Fahey states:

“It cannot well be denied that, given the facts in the present case regarding the prior art and the data

as to the new claims advanced, as well as other relevant facts, the question of patentability decided by the trial court 'must be resolved by a subjective opinion as to what seems an easy step and what does not.' *Kirsch Mfg. Co. v. Gould Mersereau*, 2 Cir., 1925, 6 F. 2d 793, 794, opinion by Judge Learned Hand. This subjective opinion or formulation of a judgment is not the finding of a fact in the usual sense envisaged by Rule 52, Fed. R. Civ. P. All facts are not of the same general character. A court need not ignore entirely the difference between an objective fact and a subjective opinion though each is termed a factual matter. Where the decision involves such a subjective opinion a somewhat wider latitude properly may be exercised by a reviewing court. This larger freedom must yet remain within the bounds established by the rule that the findings of fact of the trial court are not to be set aside unless clearly erroneous. This rule applies though a particular situation such as is now before us involves ultimately a judgment or opinion from known facts and therefore permits greater freedom in determining whether the resolution of the question by the trial court was clearly erroneous."

2. We submit that in the present instance, if this Court is of the opinion, as apparently it is, that a remand is not necessary, and that the Court may from the record decide the issues of primary fact which the Trial Court failed to make, that it should do so. But in that case it is not bound by the clearly erroneous standard of Rule 52.

Judge Minton said in *Dearborn Nat. Casualty Co. v. Consumers Petroleum Co.*, (7th C. C. A., 1947) 164 F. 2d 332, 333:

“The court made an ultimate finding of fact that the defendant notified the plaintiff of the accident ‘as soon as practicable’ thereafter, but no subsidiary findings of fact were made to indicate upon what findings this conclusion of ultimate fact was based. There must be such subsidiary findings of fact as will support the ultimate conclusion reached by the court. *Kelley et al. v. Everglades Drainage District*, 319 U. S. 415, 420, 422, 63 S. Ct. 1141, 87 L. Ed. 1485.”

The finding that the patent is invalid as lacking invention over the prior art is so general that it is not easily tested by the evidence. Mr. Langdorf, the Librarian of this Court, has made pertinent remarks on this point. (See quotation in the lecture given by Judge Yankwich before the Judicial Conference of the Ninth Circuit, September 2, 1948, reported 8 F. R. D., p. 271, particularly page 285.)

A comparison of the findings found inadequately by the Supreme Court in *Schneidermann v. U. S.*, 320 U. S. 118, and the findings in this case illustrate our point.

We call attention to Judge Yankwich’s remarks in his lecture (cited *supra*). See 8 F. R. D. 271, p. 286, note 11,

“* * * I have always felt that the findings of Judge Roche in *Schneidermann v. United States*, 1943, 320 U. S. 118, page 129, footnote 63 S. Ct. 1333, 87 L. Ed. 1796, were statements of ultimate facts of the type which we in California have always considered adequate.”

Yet this is no longer adequate, and this Court, according to Judge Yankwich, has so ruled, as is set forth by Judge Yankwich in *Brooks v. Brooks Clothing Co.*, 5 F. R. D. 14,

p. 16, and see also this Court's remarks in *Hycon Mfg. Co. v. H. Koch & Sons*, 219 F. 2d 353 (9 C. C. A., 1955).

We have before in our main brief, pages 73, etc., discussed the insufficiency of the Trial Court's finding of lack of invention. We refer respectfully to the discussion there. The inescapable fact is that the findings in this case are only of the ultimate fact of lack of invention and there are no findings of any primary fact.

3. The general rule that findings of fact will be sustained unless clearly erroneous requires that the court find the "primary facts" on which the ultimate fact is based. This Court has so clearly indicated.

In *Jancuzzi Bros. v. Berkeley Pump Co.*, (9th C. C. A. 1951) 191 F. 2d 632, this court said:

"The Trial Court found as a fact, based largely upon an incisive examination of the prior art, that the patents in suit were void for lack of invention. Although it is not expressly stated that this conclusion is based upon evidence establishing the thesis beyond a reasonable doubt, the Trial Court expressed no doubt. And the record shows that such conclusion was supported by substantial evidence. But it is contended that, since the Patent Office and the Trial Court disagreed, we should find the facts *de novo*. The assumption of such authority by the appellate court would be an usurpation. However, we examine the facts to determine whether the findings of the Trial Judge are clearly erroneous under Rule 52, Federal Rules of Civil Procedure, Title 28, U. S. C. A., and must be set aside.

"If there is not firm adherence to such a rule, everything is cast adrift. The trial courts find the facts. If appellate courts exercise no self-restraint, then, *after the primary facts are thus found*, these same facts are found anew twice over, with varying results. Not only is there no finality, but the findings may change with shifting personnel or on subsequent hearings. Not only finality, but stability is lost. All is confusion." (Emphasis added).

But it will be noted that in that case the Trial Court made findings of the primary facts on which its finding of lack of invention was based.

**THE EVIDENCE DOES NOT PROVE PRIOR KNOWLEDGE
OR USE OF THE INVENTION COVERED BY THE
CLAIMS OF THE HALL 515 PATENT.**

1. The evidence must establish facts of such prior knowledge or use beyond a reasonable doubt:

H. Wenzel Tent & Duck Co. v. White Stag Mfg. Co., (9th C. C. A., 1952) 199 F. 2d 740, 743.

2. The Jones and Berdine experiments did not constitute prior knowledge or use since they were experimental in nature and did not constitute a reduction to practice of the devices employed in the Jones tests.

Stearns v. Tinker & Razor, (9th C. C. A., 1955) 220 F. 2d 49, 55, 56, 58, citing many cases.

3. Since the Jones and Berdine test did not demonstrate the practical utility of the devices under conditions of practical operation in an oil well, and since these tests were not considered by any one to justify the manufacture or use of the devices shown in Figs. 14, 18 and 26

of Exhibit X, these tests do not constitute a reduction to practice.

Konet v. Haskins, (C. C. P. A., 1950) 179 F. 2d 1003, 1008.

Sinko Tool & Mfg. Co. v. Automatic Devices Corp., (2nd C. C. A., 1946) 157 F. 2d 974, 977.

Minnesota Mining & Mfg. Co. v. Van Cleef, (7th C. C. A., 1943) 139 F. 2d 550, 556.

Smith v. Bonsquit, (C. C. P. A., 1940) 111 F. 2d 157.

Metal Cutting Tool Service v. National Tool Co., (C. C. A. 6th, 1939) 103 F. 2d 581, 583.

4. Accidental use of elements of an invention which were unrecognized and unappreciated does not constitute anticipation.

Eibel Process Co. v. Minnesota & Ontario Paper Co. 261 U. S. 45, 66.

Cleveland Trust Co. et al. v. Schreiber-Schroth, 108 F. 2d 109, 113-114, reversed on another point, 311 U. S. 211.

Morgan Const. Co. v. Wellman-Leaver-Morgan, (9th C. C. A., 1921) 18 F. 2d 395, 399.

Dewey & Almy Chem. Co. v. Mimex Co., (C. C. A. 2d, 1942) 124 F. 2d 986, 989.

Loom v. Higgins, 105 U. S. 580, 591.

5. Jones' rudimentary experiments with the B & W, Inc., devices containing isolated features of the device covered by the Hall 515 patent, were merely abandoned experiments and not an anticipation.

Smith v. Snow, 294 U. S. 1, 17.

Symington Co. v. National Castings Co., 250 U. S.
383, 386.

Lyon v. Bausch & Lomb Optical Co., (2nd C. C. A.,
1955) 224 F. 2d 530, 533, 534.

Respectfully submitted,

THOMAS E. SCOFIELD,

PHILIP SUBKOW,

*Counsel for Plaintiff and Plaintiff-
Intervenors-Appellants.*

